DoD Parts Management Reengineering

Status Briefing

Defense Standardization Conference

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Outline

- **Recap Parts Management Reengineering**
  - **Tasking of the effort**
  - **Definition / description of Parts Management**
  - **History of Parts Management**
- **Review PMRWG Recommendations**
- **Discuss TLCSM EC Support**
- **Preview Implementation**

Tasking of the Reengineering Effort

- **Parts Management Declined After Acquisition Reform (1995 – 2002)**
- **DLA Requested Relief From Parts Management Mandate (2003)**
- **ADUSD (LPP) & Director DSPO Agreed that PM Should be Reengineered (2003)**
- **Parts Management Reengineering Working Group Chaired by DSPO (PMRWG) Chartered (2003)**

What Is Parts Management?

- **A multi-disciplined process designed to improve system supportability :**
  - **Reduce Life Cycle Cost**
  - **Improve reliability**
  - **Improve readiness (logistics/operational)**
  - **Improve interoperability**
  - **Control growth of Logistics Footprint**
  - **Mitigate DMSMS issues**
  - **Promote standardization across platforms**
- **Collaboration between primes, subs, and the Government**

What Is Parts Management?

- Selecting parts during weapon system design
- Analyzing parts for reliability, availability, and quality
  - Mitigating DMSMS is critical
- Screening for common usage
- Reducing the number of unique parts
- Qualifying products

History of Parts Management

1977: MIL-STD-965, Parts Control Program

1983: SECDEF Weinberger Spare Parts Acq memo

1984: DEPSECDEF Taft DoD Parts Control Program memo

1994: SECDEF Perry Acquisition Reform memo

1996: MIL-STD-965, Parts Control Program cancelled/replaced by MIL-HDBK-965

2000: MIL-HDBK-965 cancelled/replaced by MIL-HDBK-512, Parts Management

Reengineering

- All Services, DLA, OSD, Industry, Trade Associations
- Fact Finding
- Study Industry Best Practices
- Evaluate – Analyze – Explore Alternatives
- Examine Parallel Efforts (PBL, SE, CSI)
- Develop Findings, Conclusions, Recommendations

Warfighter Support

Parts Management:

- Ensures optimum part is used in a design
  - quality, reliability, availability, logistical, and cost
- Provides Warfighter a more reliable, available, and maintainable weapon system
- Ensures the logistics community has a better understanding of the part and its application
- Provides metrics that relate parts management decisions to increases in readiness and ROI

Findings

- Footprint is growing
- Parts management/standardization can moderate growth
- Acquisition environment lacks adequate emphasis on parts management/standardization at the DoD level
  - discipline, motivation, incentives, and requirements
- Systems Engineering discipline currently lacks parts management/standardization focus
- Most DoD programs do not address DoD level parts management/standardization
- A performance-based mechanism to restore balance already exists
  - MIL-HDBK-512, SD-19

Conclusions

- Parts Management needs to be a requirement
- Parts Management needs a total system approach
- Parts Management decision-makers need better tools
- Parts Management can be fully accomplished within a performance-based environment

Major Recommendations

- Restore parts management as an engineering discipline
- Make parts management a contractual requirement
  - Identify effective incentives
- Create a Parts Management Knowledge Sharing Portal
- Improve DOD organization for parts management
- Build key partnerships and relationships
  - Educate and train
- Develop parts management tools and metrics
- Develop new marketing products
- Understand parts management's contribution to logistics footprint

Parts Management is First and Foremost an Engineering Discipline

- Part selection is an engineering responsibility
- Selecting the right parts drives downstream outcomes
- Today, engineering parts management practice is inadequate
- OEM parts management often unfunded, therefore, not done
- Our recommendations address these issues

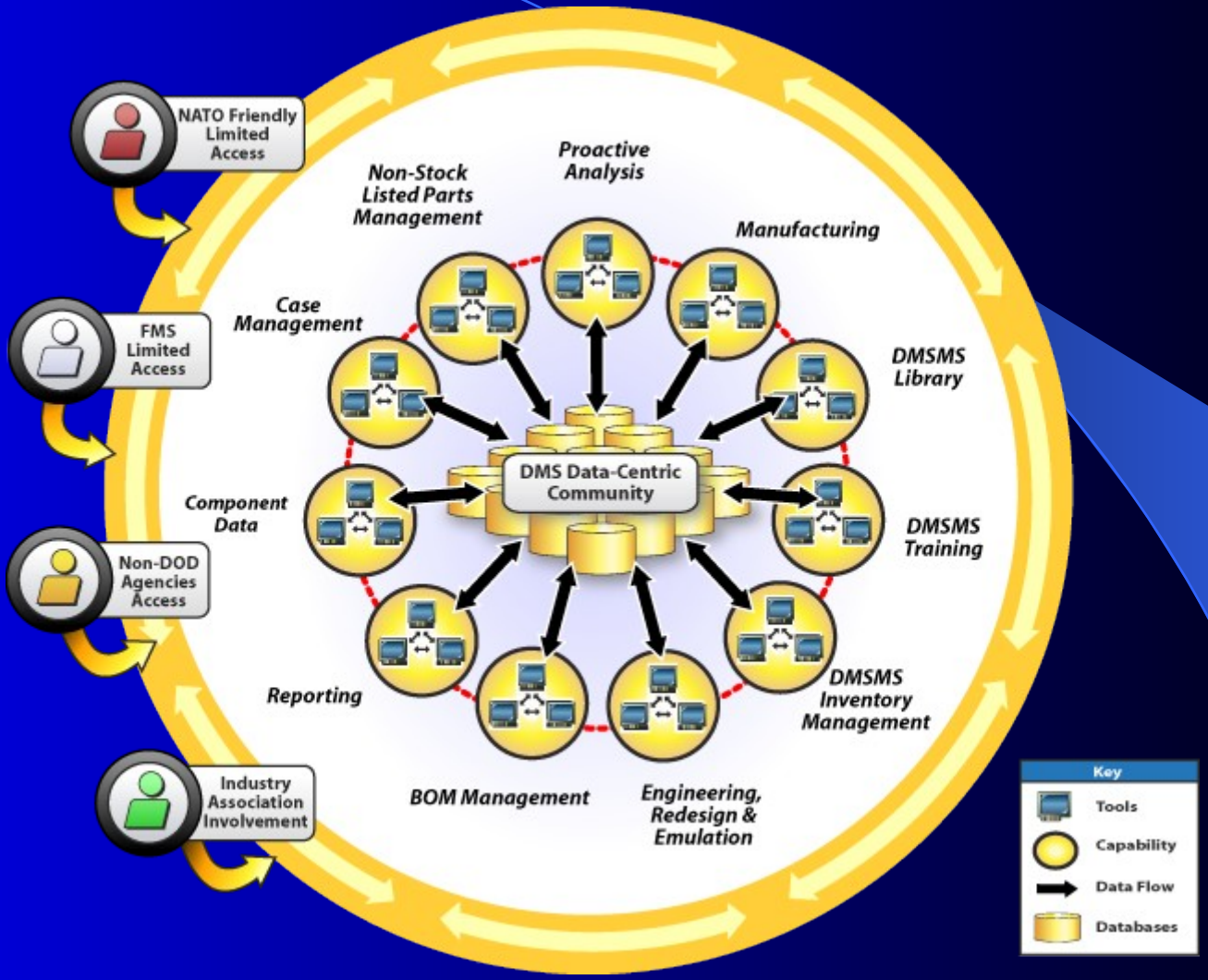
What We Mean by Making Parts Management A "Requirement"

- ***Not*** a return to past "prescriptive" practices
- Proposal to add some needed discipline
  - Action: Parts Management during design phase
  - Result: A more supportable system during sustainment
- Require a Parts Management Plan that addresses:
  - DMSMS
  - Parts Selection
- Address Parts Management in program reviews
  - Key element of a well-executed program
- DoD provide mechanism / shared data warehouse

The Critical Need — Current, Accurate Parts Data

- Existing parts data is inadequate, inaccurate, incomplete, inconsistent
- Parts data is spread across hundreds of sources
- DoD is now reengineering many of its parts-related information systems
- Now is the time to act
- We must integrate parts management requirements with current initiatives
- The first element is the DMSMS KSP

DMSMS KSP Capabilities



TLCSM EC Support

- On April 6, 2006, DSPO Director briefed TLCSM EC
- Granted “green light” to proceed into implementation
- Confirmed support during implementation phase
  - Systems Engineering
  - Acquisition policy
  - Defense Acquisition University
  - Industry participation/buy-in
- Advocacy for DoD Policy Changes

Implementation Preview

- Implementation phase (12-18 months)
  - DSPO will chair implementation effort
  - Continue working recommendations
  - Continue collaborating with key players
- TLCSM EC oversight role
  - Receive periodic updates from DSPO
  - Provide access to industry via PPP Tiger Team
  - Serve as advocacy group for DoD policy changes
- Implementation Working Group
  - Complete implementation planning

Closing

Any Questions?_

Back Up Material

Some Facets of Parts Management

- Part selection
- Part qualification
- Part analysis
- Part availability and source management
- Part information services and management
- DMSMS management
- Part inventory management
- Part engineering and technical support
- Part specifications and standards
- Part management best practices
- Part management policy, process, discipline,
- Parts related liaison with industry
- Part related warfighter support

Challenges

- Reengineer process with a clean slate
  - Reduce the Logistics Footprint
- Focus on desired results
  - Operational availability
  - Operational reliability
  - Cost per unit of usage
  - Logistics Response Time

Challenges

- Systems Engineering Approach
  - Parts Selection Process
  - DMS/MS Planning
  - Parts Management Plan
- Milestone Reviews
  - Ensure Compliance
  - Measure Effectiveness

Logistics Footprint

The size of the presence of logistics support required to deploy, sustain, and move a weapon system, including:

- Inventory/equipment/parts
- Personnel
- Facilities
- Transportation
- Real Estate